

Tariff D.S.M.C.
(Demand-Side Management Adjustment Clause)

Applicable

To Tariffs R.S., R.S.D., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D. 2, G.S., S.G.S.-T.O.D., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., I.G.S., C.S.-I.R.P., and M.W.,

Rate

1. The Demand-Side Management (DSM) clause shall provide for periodic adjustment per KWH of sales equal to the DSM costs per KWH by customer sector according to the following formula:

$$(c) \text{ Adjustment Factor} = \frac{\text{DSM}}{S(c)}$$

Where DSM is the cost by customer sector of demand-side management programs, net lost revenues, incentives, and any over/under recovery balances; (c) is customer sector; and S is the adjusted KWH sales by customer sector.

2. Demand-Side Management (DSM) costs shall be the most recent forecasted cost plus any over/under recovery balances recorded at the end of the previous period.
- a. Program costs are any costs the Company incurred associated with demand-side management which were approved by the Kentucky Power Company DSM Collaborative. Examples of costs to be included are contract services, allowances, promotion, expenses, evaluation, lease expense, etc. by customer sector.
 - b. Net lost revenues are the calculated net lost revenues by customer sector resulting from the implementation of the DSM programs.
 - c. Incentives are a shared-savings incentive plan consisting of one of the following elements: The efficiency incentive, which is defined as 15 percent of the estimated net savings associated with the programs. Estimated net savings are calculated based on the California Standard Practice Manual's definition of the Total Resources Cost (TRC) test, or the maximizing incentive which is defined as 5 percent of actual program expenditures if program savings cannot be measured.
 - d. Over/ Under recovery balances are the total of the differences between the following:
 - i. the actual program costs incurred versus the program costs recovered through DSM adjustment clause, and
 - ii. the calculated net lost revenues realized versus the net lost revenues recovered through the DSM adjustment clause, and
 - iii. the calculated incentive to be recovered versus the incentive recovered through the DSM adjustment clause.
3. Sales (S) shall be the total ultimate KWH sales by customer sector less non-metered, opt-out and lost revenue impact KWHs by customer sector.
4. The provisions of the Demand-Side Management Adjustment Clause will be effective until further revised by the Company and approved by the Public Service Commission.
5. The DSM adjustment shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data, and information as may be required by the Commission.

Continued on Sheet 28-2

DATE OF ISSUE: November 26, 2024
 DATE EFFECTIVE: Services Rendered On And After December 26, 2024
 ISSUED BY: /s/ Tanner S. Wolfram
 TITLE: Director, Regulatory Services
 By Authority of an Order of the Public Service Commission
In Case No.: 2024-00115 Dated November 22, 2024

CANCELLED

February 28, 2025

**KENTUCKY PUBLIC
SERVICE COMMISSION**

Linda C. Bridwell
Executive Director

Linda C. Bridwell

EFFECTIVE

12/26/2024

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Tariff D.S.M.C. Continued **(Demand-Side Management Adjustment Clause)**

Rate Continued

6. Copies of all documents required to be filed with the Commission under this regulation shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS 61.870 to 61.884.
7. The resulting range for each customer sector per KWH during the three-year Experimental Demand-Side Management Plan is as follows:

	Customer Sector		
	<u>Residential</u>	<u>Commercial</u>	<u>Industrial*</u>
<u>DSM(c)</u>	\$276,703	\$(18,130)	0
<u>S(c)</u>	1,854,447,994	1,153,814,846	0
Adjustment Factor	\$0.000149	\$(0.000016)	0

* The Industrial Sector has been discontinued pursuant to the Commission's Order dated September 28, 1999.

Program Descriptions

The D.S.M.C. program availability, program, rate, and equipment descriptions follow:

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February 28, 2025

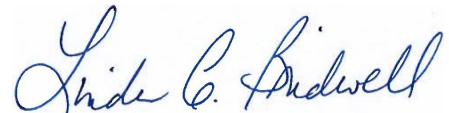
**KENTUCKY PUBLIC
SERVICE COMMISSION**

Continued on Sheet 28-3

DATE OF ISSUE: February 8, 2024
DATE EFFECTIVE: Services Rendered On And After January 16, 2024
ISSUED BY: /s/ Brian K. West
TITLE: Vice President, Regulatory & Finance
By Authority of an Order of the Public Service Commission
In Case No.: 2023-00159 Dated January 19, 2024
In Case No.: 2023-00362 Dated December 15, 2023

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Linda C. Bridwell
Executive Director



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1/16/2024

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Tariff D.S.M.C. Continued
(Demand-Side Management Adjustment Clause)T
T**Program: TEE – Targeted Energy Efficiency****Availability of Service**

Available on a voluntary basis to individual residential customers receiving retail electric service from the Company, who have primary electric heat and use an average of 700 kWh per month. Residential customers without primary electric heating may also be eligible for limited efficiency measures if they have electric water heating and use an average of 700 kWh per month from November through March. To qualify, the household's income cannot exceed the designated poverty guidelines as administered by the local community action agency.

Program Description

The Kentucky Power Targeted Energy Efficiency Program (TEE) provides weatherization and energy efficiency services to qualifying residential customers who need help reducing their energy bills. The Company provides funding for this program through the Kentucky Community Action network of not-for-profit community action agencies. The program funding and service is supplemental to the Weatherization Assistance Programs offered by the local community action agency. This program provides energy saving improvements to an existing home. Program services include residential energy audits, the installation of home weatherization/energy conservation items and customer education on home energy efficiency. The home weatherization/energy conservation measures may include, but not limited to:

- High efficiency lighting
- Domestic hot water pipe insulation
- Water heater insulation wrap (electric DHW only)
- Low flow showerhead
- Low flow faucet aerator
- Air and duct sealing (electric heat only)
- Insulation (electric heat only)
- Efficient windows and doors
- Air source heat pump

CANCELLED

February 28, 2025

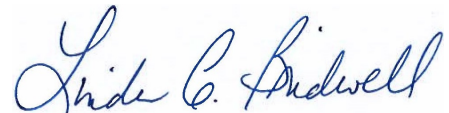
**KENTUCKY PUBLIC
SERVICE COMMISSION****Rate**

No rate applies for this program.

Equipment

The Kentucky Community Action network of not-for-profit community action agencies will furnish and install, in the customer's presence, the equipment as provided by this program.

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In Case No.: 2023-00159 Dated January 19, 2024

**KENTUCKY
PUBLIC SERVICE COMMISSION****Linda C. Bridwell**
Executive Director

EFFECTIVE

1/16/2024

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)